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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

-and-

PACIFIC GAS AND ELECTRIC
COMPANY,

Debtors.

☐ Affects PG&E Corporation

☐ Affects Pacific Gas and Electric
Company

☒ Affects both Debtors

** All papers shall be filed in the lead case,
No. 19-30088 (DM)*

Chapter 11

Bankr. Case No. 19-30088 (DM)
(Jointly Administered)

**STATEMENT AND RESERVATION OF
RIGHTS OF BAUPOST GROUP SECURITIES,
L.L.C. CONCERNING THE REORGANIZED
DEBTORS' MOTION FOR ENTRY OF AN
ORDER FURTHER EXTENDING DEADLINE
FOR THE REORGANIZED DEBTORS TO
OBJECT TO CLAIMS AND FOR RELATED
RELIEF**

Date: June 7, 2023

Time: 10:00 a.m. (Pacific Time)

Place: Tele/Videoconference

Baupost Group Securities, L.L.C. ("**Baupost**"), on behalf of itself and as trading nominee for certain funds managed by The Baupost Group, L.L.C. that are the beneficial owners of certain of the Debtors' equity securities at issue herein, hereby submits this statement and reservation of rights (the

1 **“Statement”**) concerning the Reorganized Debtors’ *Motion for Entry of an Order Further Extending*
2 *Deadline for the Reorganized Debtors to Object to Claims and for Related Relief* [Dkt. No. 13745]
3 (the **“Motion”**). Baupost is a Securities Claimant, as that term is defined in the Court’s *Order*
4 *(i) Denying Securities Lead Plaintiff’s Motion to Apply Bankruptcy Rule 7023 to Class Proof of*
5 *Claim and (ii) Extending Bar Date for Certain Holders of Securities Claims for Rescission or*
6 *Damages* [Dkt. No. 5943] and a substantial holder of Subordinated Securities Claims,¹ having filed
7 Rescission or Damage Claim Proofs of Claim on April 15, 2020 [Claim Nos. 100269 and 100309]
8 and on December 28, 2022 [Claim Nos. 109847 and 109848]. Subject to the below reservations,
9 Baupost does not oppose the Motion, including the extension of the claims objection deadline sought
10 therein.

11 Baupost provided informal comments to the Motion to the Debtors. In response, the Debtors
12 have made a small, but important, clarification to the Reorganized Debtors’ proposed “Securities
13 Claims Merits Litigation Procedures—Part 1” (the **“Litigation Procedures”**). *See* Motion at Ex. C.
14 Specifically, Baupost requested, and the Debtors agreed, to add the phrase “without further
15 amendment or supplement” in Section A of the Litigation Procedures to make it clear that only a
16 party relying solely on the allegations in the PERA Complaint agrees to be bound by determinations
17 made with respect to the merits of the PERA Complaint. In addition, although not directly before
18 the Court at this time, Baupost reserves its rights to seek relief in the future—including but not
19 limited to modifying the Litigation Procedures to allow for Securities Claimants to intervene in
20 motions by the Reorganized Debtors addressed to the legal sufficiency of the PERA Complaint’s
21 claims or other complaints filed by Securities Claimants that assert common claims or allegations.

22 As explained in the Motion, the Litigation Procedures, if adopted, would require Securities
23 Claimants to make an election to either (a) file their own complaint in support of their Securities
24 Claims (**“Category A”**), or (b) adopt the allegations and claims in the PERA Complaint without
25 further amendment or supplement (**“Category B”**). For Securities Claimants in Category B, the
26 Litigation Procedures provide that those Claimants will agree to be “bound by any determination by
27 the Bankruptcy Court of the law or facts with respect to the resolution of any merits issues regarding
28

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

1 the PERA Complaint, *regardless* of the claimant who makes or opposes the motion, objection, or
2 filing.” Motion at 25-26 (emphasis added).

3 Although Baupost has adopted the PERA Complaint, *see* Claim Nos. 100269 and 100309,
4 the Reorganized Debtors have advised Baupost that they consider Baupost to be in Category A
5 because Baupost also filed supplemental proofs of claim. *See* Claim Nos. 109847 and 109848.
6 Nevertheless, the Court’s ruling on any motion to dismiss a claim premised on the PERA
7 Complaint’s claims and allegations, or on any motion to dismiss any complaint filed by a Securities
8 Claimant that adopts the allegations or claims set forth in another Securities Claimant’s proofs of
9 claim, may as a practical matter affect the claims of other Securities Claimants (including Baupost).

10 It remains to be seen how the Reorganized Debtors will apply the Litigation Procedures to
11 test the legal sufficiency of the PERA Complaint’s claims and allegations, and whether they will do
12 so in a manner that addresses Baupost’s concerns. Accordingly, Baupost reserves its rights to seek
13 modification of the Litigation Procedures, to intervene in any motion to dismiss any Subordinated
14 Securities Claims based on the PERA Complaint’s claims and allegations or other common claims or
15 allegations, or to seek such other relief as may be appropriate.

16
17 Dated: May 31, 2023

PACHULSKI STANG ZIEHL & JONES LLP

18
19 /s/ Debra Grassgreen

Isaac M. Pachulski

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20
21 - and -

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